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C O N F I D E N T I A L SECTION 01 OF 04 CARACAS 002489

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SUBJECT: INSIDE BARRIO ADENTRO: THE BRV'S PRIMARY HEALTH CARE PROGRAM

Classified By: Economic Counselor Andrew N. Bowen,
Reasons 1.5 (b/d)

Summary

¶1. (SBU) Mision Barrio Adentro ("Inside the Neighborhood") is a network of BRV-sponsored primary health care modules largely staffed by Cuban medical personnel. Current statistics and financial information about this BRV program are very difficult to obtain. Venezuelan physicians' groups allege that Cuban doctors practice without Venezuelan licenses and receive salaries over four times that of local doctors. Despite instances of malpractice, supply shortages, mismanagement of funds (at the municipal level) and mediocre vaccination rates, those who use Barrio Adentro (BA) are highly satisfied with it. However, only 18 percent of those polled admitted to having received care. The BRV's growing focus on BA has diverted resources away from the public health sector, which has been in a chaotic state of disrepair for years. Some international organizations have praised BA's efforts, despite little reliable information about its efficacy. The program has met the political goal of reaching and mobilizing marginalized communities, but its public health value is questionable. End Summary.

Barrio Adentro 101

¶2. (SBU) Mision Barrio Adentro ("Inside the Neighborhood") was created by President Chavez in December 2003. It is a government-run network of primary health care modules (separate from the BRV's public health network) designed to service marginalized neighborhoods. The program is staffed mostly by Cuban medical personnel (under the April 2003 Venezuela-Cuba Agreement, trading doctors for oil), and offers primary care, dental and vaccination services. The

BRV has built a number of small clinics -- recognizable by their hexagonal brick and blue design -- but "modules" also include doctors operating out of private homes. The Mission is present nationwide, but mostly concentrated in Lara state and the capital.

13. (SBU) Current statistics on Barrio Adentro (BA) are very difficult to come by. The Mission's website only has information from 2004, while the Ministry of Health (MSDS) publishes August 2005 statistics. In the last two years, BA has expanded to a three-tier system from BA 1 (hexagons and home clinics) to BA 2 (diagnostics and rehabilitation centers) and BA 3 (small hospitals). Mision Milagro (Mission Miracle), a spin-off program that provides free eye surgery to the poor, was established in 2005. Through this mission, the BRV flies patients from neighboring countries to Cuba and Venezuela for care.

14. (C) Dr. Jose Felix Oleta, the Minister of Health from 1997-1999, estimates that in 2004 there were a total of 6,491 BA 1 modules (hexagons and home clinics) operating. According to MSDS officials in June 2006, there are a total of 9,000 BA 1 modules nationwide and 4,618 more are under construction. On August 11, Chavez stated that there were over 15,000 operational BA 1 modules, 358 BA 2 centers (goal is 1,200 by end of 2006), and six BA 3 centers (goal is 35 by end of 2006). MSDS stated that nearly 300 existing hospitals are set to be converted to BA 3 facilities this year. Chavez claims that BA 2 and 3 currently reach seven million people, and according to MSDS, the entire BA program has reached over 17 million. (Comment: this number would equate to roughly 65 percent of Venezuela's population. See Para 13). By May 2006, the local press reported that 10,754 Mision Milagro

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patients had received surgical treatment, although MSDS stated that over 60,000 have been treated.

Who mans Barrio Adentro?

15. (SBU) As of January 2006 (according to MSDS), there were 21,745 Cuban medical personnel (14,998 of them "doctors") and 6,283 Venezuelan staff (3,981 nurses and dentists) manning BA 1. The Cuban staff live in the hexagonal modules or in peoples' homes. According to the Venezuelan Medical Federation, no Cuban BA physicians are legally licensed to practice medicine in Venezuela (Ref A). Various reports allege that the BRV pays the Cuban government up to USD 2,000 to each doctor monthly, but that the employee in Venezuela receives a much smaller amount, supposedly USD 50 monthly, with an annual bonus. In contrast, most Venezuelan doctors in the public health sector earn a base salary of roughly USD 280 per month, only USD 65 over minimum wage.

16. (SBU) Despite the exaggerated service statistics reported by the BRV, Econoff has yet to see one open clinic (despite having visited over five BA hexagons during normal business hours). Opinions from the impoverished neighborhood (Ref B) suggest that most modules are empty and that Cuban doctors spend only a short amount of time in Venezuela. Occasionally, there are reports of defections or doctors engaging in private practice "on the side," which is not permitted.

Financial cost of BA: Unknown

17. (SBU) Not surprisingly, the budget for BA has never been released to the public. The only hint about the size of BA's overall funding came in 2004 from the Minister of Health, who revealed a USD 3 billion figure. According to Tander Investments, an economic analysis firm, a quarter of the BRV's entire 2006 budget is dedicated to social spending (of

which BA would get part). Though BA is managed by the Ministry of Health, it receives funding from various sources, including PDVSA (which by May 2005 had allocated USD 91 million to BA), the Ministry of Finance (which allocated USD 837 million for all missions in 2006), and various government funds. In May 2006, two additional credits were approved by the National Assembly (NA) for BA and Mision Milagro, totaling USD 108 million. On Aug 8, the NA approved a further USD 308 million for the BA Mission. (Note: The Minister of Finance Merentes announced in July that total spending for BRV Missions would be USD 6.9 billion in transfers during 2006. End Note.)

¶18. (C) Accountability for these funds is murky at best. In the last year, there has been at least one case of financial mismanagement at the municipal level. In Lara state, which in 2004 housed over 87 percent of BA modules, an audit of unfortunately-named FUMBAL (Foundation for BA Lara) revealed that nearly USD 20,000 had gone toward the purchase of gold jewelry. As of July 2006, the BRV had reportedly chartered 2,074 Conviasa flights, some on non-established routes, to fly in Mision Milagro patients and their families.

¶19. (SBU) The BRV also provides logistical support to Barrio Adentro. According to Oleta, in 2004, the military transported over 2,000 metric tons of medical and dental equipment. PDVSA provided an inventory control system, two warehouses, 662 distribution points, and four refrigerated storage units for BA. SENIAT, the Customs and Tax Agency, reportedly waives duties on imported medical equipment. In February in Sucre state, Coast Guard officials told Econoff

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they were taking "Cuban doctors" to Margarita Island free of charge.

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Real cost of BA: An Ailing Public Health Sector

¶10. (SBU) Since BA is essentially a parallel health care structure, the real cost of the program is the attention and resources it sucks away from Venezuela's crumbling public health sector. The MSDS budget for 2006 is 5.1 percent of the national budget, down from 5.8 percent in 2005 (Note: the Social Development function of the Health Ministry appears to have been transferred in 2006 to the new Ministry of Popular Participation and Social Development. End Note). According to the World Bank, Venezuela has one of the lowest rates of public health expenditures as a percentage of GDP in the hemisphere (in 2002, it ranked below Guyana and Bolivia.)

¶11. (SBU) The public health care system is highly fragmented, with six overlapping networks each offering health services at the national, state, and municipal levels. Up to 70 percent of the Ministry's budget is eaten away by salaries or pension payments, and little is left for infrastructure maintenance, medications, or equipment. Nonetheless, in the last three months alone, hospital workers have gone on strike over back pay in Caracas, Apure, Aragua, Bolivar, Sucre and Vargas states. According to El Universal (a major local daily), the Caracas municipal government (where over 400 BA modules were built this year) has a reported hospital budget deficit of USD 340 million.

¶12. (SBU) The quality of public health care is dismal. Most Venezuelans have gotten used to paying for public services that are supposed to be free of charge, and long waits for basic care are commonplace. In June, a large Caracas children's hospital just received its only x-ray machine after waiting ten years for a replacement. Los Magallanes Hospital, a large facility in a densely-populated part of the capital, has only one functioning elevator (which the morgue also uses), and two adequate operating rooms.

Is Barrio Adentro cutting it?

¶13. (SBU) The quality of Barrio Adentro care is hard to gauge -- anecdotal evidence suggests that many doctors are actually either medical students or, more likely, paramedics trained to diagnose simple ailments and take histories. Recent comments by one BA worker to Poloff confirmed problems obtaining a steady supply of medications. In 2004, Provea, a human rights group, estimated that 11 percent of national malpractice cases originated in BA. In July, one Chilean Mission Milagro patient was actually blinded by her surgery, while a handful of Brazilian patients were flown to Caracas only to be turned around because they didn't medically qualify for surgery. According to Oleta, child malnutrition has doubled since 1998, and yellow fever, dengue, and tuberculosis are on the rise. BA's vaccination record is also poor for a primary health network: in 2004, only 161,800 vaccines had been administered nationwide (no info available for subsequent years). Chavez recently stated that thanks to Barrio Adentro, there is now 1 doctor per 2,500 Venezuelans (down from 12,000 in 1999), but this data is not confirmed by either the WHO or PAHO.

¶14. (SBU) Though modules are visibly empty and the quality of care may vary, Datanalysis, a polling firm, reported in July that 95.4 percent of BA's users were satisfied with the service. Given that poor Venezuelans typically lacked any option in their neighborhoods before BA came along, this high

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approval rating is not surprising. Satisfaction aside, only 12.7 percent of those polled said they have used BA 1 and 5.4 percent have used BA 2. (Comment: This percentage starkly contrasts the statements by MSDS that BA has reached 65 percent of the population.)

¶15. (SBU) Public perception of BA seems discordant with the actual number of people BA reaches: 68 percent of those polled were satisfied with Chavez' management of the health sector, despite only 18 percent having used BA services. (Comment: this speaks to the public relations success of the BRV pitching BA as a highly visible health "solution." End Comment). Many international organizations, including UNICEF (which called BA a "model for universal primary health care" in 2005), have bought into the public image of Barrio Adentro despite the lack of real information available about the program.

Comment

¶16. (SBU) Notwithstanding BA's obvious weaknesses -- lack of financial and statistical transparency, unlicensed physicians, and dubious quality of care -- it remains popular among poor Venezuelans because of the inadequacy of existing public health care. BA must be viewed as a political tool to increase BRV presence in the barrios, since its medical success (other than accessing marginalized communities) is questionable. The highly-visible hexagonal structures, placed strategically by the freeways (for international visitors to see), as well as the BRV's public relations push for the Mission, have many reputable organizations in the international community endorsing a program whose medical achievements are unconfirmed. Sadly, the focus of resources on BA diverts attention from the mainstream public health sector, which is already on life support. End Comment.
WHITAKER